

Amendments to Senate Bill No. 372
3rd Reading Copy

Requested by Senator Bruce Tutvedt

For the House Taxation Committee

Prepared by Jeff Martin
April 5, 2011 (7:21am)

1. Title, page 1, line 12.

Following: "REVENUE;"

Insert: "PROVIDING STATUTORY APPROPRIATIONS;"

2. Title, page 1, line 13.

Following: "SECTIONS"

Insert: "15-1-121,"

Following: "15-6-141,"

Insert: "15-10-420,"

Strike: the first "AND"

Following: "15-23-101,"

Insert: "17-7-502, AND 20-9-630,"

Strike: "AN IMMEDIATE"

3. Title, page 1, line 14.

Strike: the first "DATE"

Insert: "DATES"

4. Page 1.

Following: line 17

Insert: "Section 1. Section 15-1-121, MCA, is amended to read:

"15-1-121. **Entitlement share payment -- purpose --**
appropriation. (1) As described in 15-1-120(3), each local
government is entitled to an annual amount that is the
replacement for revenue received by local governments for
diminishment of property tax base and various earmarked fees and
other revenue that, pursuant to Chapter 574, Laws of 2001,
amended by section 4, Chapter 13, Special Laws of August 2002,
and later enactments, were consolidated to provide aggregation of
certain reimbursements, fees, tax collections, and other revenue
in the state treasury with each local government's share. The
reimbursement under this section is provided by direct payment
from the state treasury rather than the ad hoc system that offset
certain state payments with local government collections due the
state and reimbursements made by percentage splits, with a local
government remitting a portion of collections to the state,
retaining a portion, and in some cases sending a portion to other
local governments. The amount calculated pursuant to this
subsection, as adjusted pursuant to subsection (3)(a)(i), is each
local government's base entitlement share. The department shall

~~estimate the total amount of revenue that each local government received from the following sources for the fiscal year ending June 30, 2001:~~

(2) The sources of dedicated revenue that were relinquished by local governments in exchange for an entitlement share of the state general fund were:

(a) personal property tax reimbursements pursuant to sections 167(1) through (5) and 169(6), Chapter 584, Laws of 1999;

(b) vehicle, boat, and aircraft taxes and fees pursuant to:

(i) Title 23, chapter 2, part 5;

(ii) Title 23, chapter 2, part 6;

(iii) Title 23, chapter 2, part 8;

(iv) 61-3-317;

(v) 61-3-321;

(vi) Title 61, chapter 3, part 5, except for 61-3-509(3), as that subsection read prior to the amendment of 61-3-509 in 2001;

(vii) Title 61, chapter 3, part 7;

(viii) 5% of the fees collected under 61-10-122;

(ix) 61-10-130;

(x) 61-10-148; and

(xi) 67-3-205;

(c) gaming revenue pursuant to Title 23, chapter 5, part 6, except for the permit fee in 23-5-612(2)(a);

(d) district court fees pursuant to:

(i) 25-1-201, except those fees in 25-1-201(1)(d), (1)(g), and (1)(j);

(ii) 25-1-202;

(iii) 25-9-506; and

(iv) 27-9-103;

(e) certificate of title fees for manufactured homes pursuant to 15-1-116;

(f) financial institution taxes collected pursuant to the former provisions of Title 15, chapter 31, part 7;

(g) all beer, liquor, and wine taxes pursuant to:

(i) 16-1-404;

(ii) 16-1-406; and

(iii) 16-1-411;

(h) late filing fees pursuant to 61-3-220;

(i) title and registration fees pursuant to 61-3-203;

(j) veterans' cemetery license plate fees pursuant to 61-3-459;

(k) county personalized license plate fees pursuant to 61-3-406;

(l) special mobile equipment fees pursuant to 61-3-431;

(m) single movement permit fees pursuant to 61-4-310;

(n) state aeronautics fees pursuant to 67-3-101; and

(o) department of natural resources and conservation payments in lieu of taxes pursuant to Title 77, chapter 1, part 5.

~~(2) (a) From the amounts estimated in subsection (1) for each county government, the department shall deduct fiscal year 2001 county government expenditures for district courts, less reimbursements for district court expenses, and fiscal year 2001 county government expenditures for public welfare programs to be assumed by the state in fiscal year 2002.~~

~~(b) (3) The total amount estimated pursuant to subsections (1) and (2) (a) received by each local government in fiscal year 2010 as an entitlement share payment under this section is the base component for the fiscal year 2011 distribution, and in each subsequent year the prior year entitlement share payment, including any reimbursement payments received pursuant to subsection (7), is each local government's base year component. The sum of all local governments' base year components is the base fiscal year entitlement share pool. For the purpose of calculating the sum of all local governments' base year components, the base year component for a local government may not be less than zero.~~

~~(3) (4) (a) The base year entitlement share pool must be increased annually by a growth rate as provided for in this subsection (3) (4). The amount determined through the application of annual growth rates is the entitlement share pool for each fiscal year. By October 1 of each even-numbered year, the department shall calculate the growth rate of the entitlement share pool for each year of the next biennium in the following manner:~~

~~(i) Before applying the growth rate for fiscal year 2007 to determine the fiscal year 2007 entitlement share payments, the department shall subtract from the fiscal year 2006 entitlement share payments the following amounts:~~

~~Beaverhead — \$6,972
Big Horn — \$52,551
Blaine — \$13,625
Broadwater — \$2,564
Carbon — \$11,537
Carter — \$407
Cascade — \$100,000
Chouteau — \$3,536
Custer — \$7,011
Daniels — \$143
Dawson — \$3,893
Fallon — \$1,803
Fergus — \$9,324
Flathead — \$100,000
Gallatin — \$160,000
Garfield — \$91
Glacier — \$3,035
Golden Valley — \$2,282
Granite — \$4,554
Hill — \$31,740~~

Jefferson \$5,700
 Judith Basin \$1,487
 Lake \$38,314
 Lewis and Clark \$160,000
 Liberty \$152
 Lincoln \$3,759
 Madison \$8,805
 McCone \$1,651
 Meagher \$2,722
 Mineral \$2,361
 Missoula \$200,000
 Musselshell \$23,275
 Park \$6,582
 Petroleum \$36
 Phillips \$653
 Pondera \$10,270
 Powder River \$848
 Powell \$5,146
 Prairie \$717
 Ravalli \$93,090
 Richland \$3,833
 Roosevelt \$9,526
 Rosebud \$19,971
 Sanders \$30,712
 Sheridan \$271
 Stillwater \$12,117
 Sweet Grass \$2,463
 Teton \$5,560
 Toole \$7,113
 Treasure \$54
 Valley \$6,899
 Wheatland \$918
 Wibaux \$72
 Yellowstone \$270,000
 Anaconda-Deer Lodge \$20,707
 Butte-Silver Bow \$53,057
 Alberton \$675
 Bainville \$258
 Baker \$2,828
 Bearcreek \$143
 Belgrade \$11,704
 Belt \$1,056
 Big Sandy \$1,130
 Big Timber \$2,910
 Billings \$163,499
 Boulder \$2,340
 Bozeman \$52,805
 Bridger \$1,303
 Broadus \$766
 Broadview \$258

Brockton \$414
Browning \$1,830
Cascade \$1,374
Chester \$1,430
Chinook \$2,275
Choteau \$3,050
Circle \$1,018
Clyde Park \$572
Colstrip \$4,090
Columbia Falls \$6,805
Columbus \$3,245
Conrad \$4,562
Culbertson \$1,216
Cut Bank \$5,316
Darby \$1,348
Deer Lodge \$5,708
Denton \$503
Dillon \$6,928
Dodson \$194
Drummond \$561
Dutton \$661
East Helena \$2,888
Ekalaka \$689
Ennis \$1,518
Eureka \$1,733
Fairfield \$1,120
Fairview \$1,152
Flaxville \$143
Forsyth \$3,286
Fort Benton \$2,579
Fort Peck \$393
Froid \$328
Fromberg \$855
Geraldine \$457
Glasgow \$5,361
Glendive \$8,099
Grass Range \$254
Great Falls \$96,422
Hamilton \$7,148
Hardin \$5,920
Harlem \$1,422
Harlowton \$1,678
Havre \$16,223
Helena \$45,877
Hingham \$263
Hobson \$397
Hot Springs \$912
Hysham \$482
Ismay \$43
Joliet \$1,006

Jordan — \$606
Judith Gap — \$263
Kalispell \$28,144
Kevin — \$304
Laurel — \$10,804
Lavina — \$361
Lewistown \$10,170
Libby — \$4,475
Lima \$397
Livingston — \$12,145
Lodge Grass — \$889
Malta — \$3,389
Manhattan \$2,485
Medicine Lake \$410
Melstone — \$234
Miles City — \$14,152
Missoula \$104,264
Moore — \$319
Nashua — \$536
Neihart — \$149
Opheim — \$180
Outlook — \$125
Philipsburg — \$1,612
Pinesdale \$1,413
Plains — \$2,007
Plentywood — \$3,185
Plevna — \$225
Polson — \$7,722
Poplar — \$1,544
Red Lodge \$3,903
Rexford — \$263
Richey — \$309
Roman — \$3,262
Roundup — \$3,280
Ryegate — \$465
Saco \$354
Scobey — \$1,798
Shelby — \$5,677
Sheridan \$1,150
Sidney — \$7,747
Stanford — \$737
Stevensville — \$3,063
St. Ignatius \$1,367
Sunburst — \$709
Superior — \$1,521
Terry — \$1,011
Thompson Falls \$2,272
Three Forks — \$3,130
Townsend — \$3,286
Troy \$1,654

Twin Bridges — \$695
 Valier — \$817
 Virginia City — \$223
 Walkerville — \$1,183
 West Yellowstone — \$2,083
 Westby — \$263
 White Sulphur Springs — \$1,734
 Whitefish — \$9,932
 Whitehall — \$1,889
 Wibaux — \$893
 Winifred — \$259
 Winnett — \$314
 Wolf Point — \$4,497

(ii)(i) The department shall calculate the average annual growth rate of the Montana gross state product, as published by the bureau of economic analysis of the United States department of commerce, for the following periods:

— (A) the last 4 calendar years for which the information has been published; and

— (B) the 4 calendar years beginning with the year before the first year in the period referred to in subsection (3)(a)(ii)(A).

(iii)(ii) The department shall calculate the average annual growth rate of Montana personal income, as published by the bureau of economic analysis of the United States department of commerce, for the following periods:

— (A) the last 4 calendar years for which the information has been published; and

— (B) the 4 calendar years beginning with the year before the first year in the period referred to in subsection (3)(a)(iii)(A).

(b) (i) The entitlement share pool growth rate for the first each year of the biennium must be the following percentage of the average of the growth rates calculated in subsections (3)(a)(ii)(B) (4)(a)(i) and (3)(a)(iii)(B) (4)(a)(ii):

(A)(i) for counties, 54%;

(B)(ii) for consolidated local governments, 62%; and

(C)(iii) for incorporated cities and towns, 70%.

(ii) The entitlement share pool growth rate for the second year of the biennium must be the following percentage of the average of the growth rates calculated in subsections (3)(a)(ii)(A) and (3)(a)(iii)(A):

— (A) for counties, 54%;

— (B) for consolidated local governments, 62%; and

— (C) for incorporated cities and towns, 70%.

(4)(5) As used in this section, "local government" means a county, a consolidated local government, an incorporated city, and an incorporated town. A local government does not include a tax increment financing district provided for in subsection (6)(8). For purposes of calculating the base year component for a county or consolidated local government, the department shall

~~include the revenue listed in subsection (1) for all special districts within the county or consolidated local government. The county or consolidated local government is responsible for making an allocation from the county's or consolidated local government's share of the entitlement share pool to each special district within the county or consolidated local government in a manner that reasonably reflects each special district's loss of revenue sources listed in subsection (1) for which reimbursement is provided in this section.~~

~~(5)(6)~~ (a) The entitlement share pools calculated in this section and the ~~block grants~~ funding provided for in subsection ~~(6)(8)~~ are statutorily appropriated, as provided in 17-7-502, from the general fund to the department for distribution to local governments. ~~Each local government is entitled to a pro-rata share of each year's entitlement share pool based on the local government's base component in relation to the base year entitlement share pool.~~ The distributions must be made on a quarterly basis.

(b) (i) The growth amount is the difference between the entitlement share pool in the current fiscal year and the entitlement share pool in the previous fiscal year. ~~For the purposes of subsection (5)(b)(ii)(A), a county with a negative base year component has a base year component of zero.~~ The growth factor in the entitlement share must be calculated separately for:

- (A) counties;
- (B) consolidated local governments; and
- (C) incorporated cities and towns.

(ii) In each fiscal year, the growth amount for counties must be allocated as follows:

(A) 50% of the growth amount must be allocated based upon each county's percentage of the base prior fiscal year entitlement share pool for all counties; and

(B) 50% of the growth amount must be allocated based upon the percentage that each county's population bears to the state population not residing within consolidated local governments as determined by the latest interim year population estimates from the Montana department of commerce as supplied by the United States bureau of the census.

(iii) In each fiscal year, the growth amount for consolidated local governments must be allocated as follows:

(A) 50% of the growth amount must be allocated based upon each consolidated local government's percentage of the base prior fiscal year entitlement share pool for all consolidated local governments; and

(B) 50% of the growth amount must be allocated based upon the percentage that each consolidated local government's population bears to the state's total population residing within consolidated local governments as determined by the latest interim year population estimates from the Montana department of

commerce as supplied by the United States bureau of the census.

(iv) In each fiscal year, the growth amount for incorporated cities and towns must be allocated as follows:

(A) 50% of the growth amount must be allocated based upon each incorporated city's or town's percentage of the base prior fiscal year entitlement share pool for all incorporated cities and towns; and

(B) 50% of the growth amount must be allocated based upon the percentage that each city's or town's population bears to the state's total population residing within incorporated cities and towns as determined by the latest interim year population estimates from the Montana department of commerce as supplied by the United States bureau of the census.

(v) In each fiscal year, the amount of the entitlement share pool not represented by before the growth amount or adjustments made under subsection (7) are applied is to be distributed to each local government in the same manner as the entitlement share pool was distributed in the prior fiscal year.

(7) If the legislature enacts a reimbursement provision that is to be distributed pursuant to this section, the department shall determine the reimbursement amount as provided in the enactment and add the appropriate amount to the entitlement share distribution under this section. The total entitlement share distributions in a fiscal year, including distributions made pursuant to this subsection, equal the local fiscal year entitlement share pool. The ratio of each local government's distribution from the entitlement share pool must be recomputed to determine each local government's ratio to be used in the subsequent year's distribution determination under subsections (6) (b) (ii) (A), (6) (b) (iii) (A), and (6) (b) (iv) (A).

~~+(6)(8)~~ (a) If a tax increment financing district was not in existence during the fiscal year ending June 30, 2000, then the tax increment financing district is not entitled to any block grant funding. If a tax increment financing district referred to in subsection ~~+(6)(b)~~ (8)(b) terminates, then the block grant funding for the district provided for in subsection ~~+(6)(b)~~ (8)(b) terminates.

(b) One-half of the payments provided for in this subsection ~~+(6)(b)~~ (8)(b) must be made by November 30 and the other half by May 31 of each year. Subject to subsection ~~+(6)(a)~~ (8)(a), the entitlement share for tax increment financing districts is as follows:

Cascade	Great Falls - downtown	\$468,966
Deer Lodge	TIF District 1	3,148 <u>\$3,148</u>
Deer Lodge	TIF District 2	3,126
Flathead	Kalispell - District 1	758,359
Flathead	Kalispell - District 2	5,153
Flathead	Kalispell - District 3	41,368
Flathead	Whitefish District	164,660
Gallatin	Bozeman - downtown	34,620

Lewis and Clark Helena - #2		731,614
Missoula	Missoula - 1-1B & 1-1C	1,100,507 250,279
Missoula	Missoula - 4-1C	33,343
Silver Bow	Butte - uptown	283,801
Yellowstone	Billings	436,815

~~(7)~~(9) The estimated base fiscal year entitlement share pool and any subsequent entitlement share pool for local governments do not include revenue received from tax increment financing districts, from countywide transportation block grants, or from countywide retirement block grants.

~~(8)~~ (a) If revenue that is included in the sources listed in subsections (1)(b) through (1)(o) is significantly reduced, except through legislative action, the department shall deduct the amount of revenue loss from the entitlement share pool beginning in the succeeding fiscal year and the department shall work with local governments to propose legislation to adjust the entitlement share pool to reflect an allocation of the loss of revenue.

~~(b)~~ For the purposes of subsection (8)(a), a significant reduction is a loss that causes the amount of revenue received in the current year to be less than 95% of the amount of revenue received in the base year.

~~(9)~~(10) A three-fifths vote of each house of the legislature is required to reduce the amount of the entitlement share calculated pursuant to subsections (1) through ~~(3)~~ (4).

~~(10)~~(11) When there has been an underpayment of a local government's share of the entitlement share pool, the department shall distribute the difference between the underpayment and the correct amount of the entitlement share. When there has been an overpayment of a local government's entitlement share, the local government shall remit the overpaid amount to the department.

~~(11)~~(12) A local government may appeal the department's estimation of the base year component, the entitlement share pool growth rate, or a local government's allocation of the entitlement share pool, according to the uniform dispute review procedure in 15-1-211.

~~(12)~~(13) A payment required pursuant to this section may not be offset by a debt owed to a state agency by a local government in accordance with Title 17, chapter 4, part 1."

Renumber: subsequent sections

5. Page 3, line 7.

Strike: "2012"

Insert: "2013"

6. Page 4, line 2.

Following: "distribution"

Insert: "-- appropriations"

7. Page 4, line 3.

Strike: "1"
Insert: "2"

8. Page 4, line 5.
Strike: "[" through "]"
Insert: "15-1-121(5)"

9. Page 4, line 7.
Strike: "1"
Insert: "2"

10. Page 4, line 9.
Strike: "1"
Insert: "2"

11. Page 4, line 13.
Following: "payments"
Insert: "under 15-1-121(7)"

12. Page 4, line 13 through page 14.
Strike: "under" on line 13 through "]" on line 14

13. Page 4, line 15.
Strike: "[" through "]"
Insert: "15-1-121(6)"

14. Page 4, line 18.
Strike: "June 15 of each of those"
Insert: "August 1 following each of those fiscal"

15. Page 4, line 20.
Strike: "[" through "]"
Insert: "15-1-121(6)(a)"

16. Page 4, line 26.
Strike: "June 15 of each of those"
Insert: "August 1 following each of those fiscal"

17. Page 4.
Following: line 28
Insert: "(c) The amounts determined under this subsection (3)
are statutorily appropriated, as provided in 17-7-502, from
the general fund to the office of public instruction for
distribution to school districts."

18. Page 5, line 1 through line 2.
Strike: "[" on line 1 through "]" on line 2
Insert: "15-1-121(8)(b)"

19. Page 5, line 3 through line 4.

Strike: "[" on line 3 through "]" on line 4

Insert: "15-1-121(8)"

20. Page 5, line 8.

Strike: "June 15, 2012"

Insert: "August 1 following each of those fiscal years"

21. Page 5, line 10.

Strike: "[" through "]"

Insert: "15-1-121(8)"

22. Page 5, line 17.

Strike: "June 15, 2012"

Insert: "August 1 following each of those fiscal years"

23. Page 5.

Following: line 19

Insert: "(c) The amounts determined under this subsection (5) are statutorily appropriated, as provided in 17-7-502, from the general fund to the department for distribution to the Montana board of regents for the support of the Montana university system as provided in 15-10-108."

24. Page 6.

Following: line 21

Insert: "Section 5. Section 15-10-420, MCA, is amended to read:

"15-10-420. Procedure for calculating levy. (1) (a) Subject to the provisions of this section, a governmental entity that is authorized to impose mills may impose a mill levy sufficient to generate the amount of property taxes actually assessed in the prior year plus one-half of the average rate of inflation for the prior 3 years. The maximum number of mills that a governmental entity may impose is established by calculating the number of mills required to generate the amount of property tax actually assessed in the governmental unit in the prior year based on the current year taxable value, less the current year's value of newly taxable property, plus one-half of the average rate of inflation for the prior 3 years.

(b) A governmental entity that does not impose the maximum number of mills authorized under subsection (1)(a) may carry forward the authority to impose the number of mills equal to the difference between the actual number of mills imposed and the maximum number of mills authorized to be imposed. The mill authority carried forward may be imposed in a subsequent tax year.

(c) For the purposes of subsection (1)(a), the department shall calculate one-half of the average rate of inflation for the prior 3 years by using the consumer price index, U.S. city average, all urban consumers, using the 1982-84 base of 100, as published by the bureau of labor statistics of the United States

department of labor.

(2) A governmental entity may apply the levy calculated pursuant to subsection (1)(a) plus any additional levies authorized by the voters, as provided in 15-10-425, to all property in the governmental unit, including newly taxable property.

(3) (a) For purposes of this section, newly taxable property includes:

(i) annexation of real property and improvements into a taxing unit;

(ii) construction, expansion, or remodeling of improvements;

(iii) transfer of property into a taxing unit;

(iv) subdivision of real property; and

(v) transfer of property from tax-exempt to taxable status.

(b) Newly taxable property does not include an increase in value that arises because of an increase in the incremental value within a tax increment financing district.

(4) (a) For the purposes of subsection (1), the taxable value of newly taxable property includes the release of taxable value from the incremental taxable value of a tax increment financing district because of:

(i) a change in the boundary of a tax increment financing district;

(ii) an increase in the base value of the tax increment financing district pursuant to 7-15-4287; or

(iii) the termination of a tax increment financing district.

(b) If a tax increment financing district terminates prior to the certification of taxable values as required in 15-10-202, the increment value is reported as newly taxable property in the year in which the tax increment financing district terminates. If a tax increment financing district terminates after the certification of taxable values as required in 15-10-202, the increment value is reported as newly taxable property in the following tax year.

(c) For the purpose of subsection (3)(a)(ii), the value of newly taxable class four property that was constructed, expanded, or remodeled property since the completion of the last reappraisal cycle is the current year market value of that property less the previous year market value of that property.

(d) For the purpose of subsection (3)(a)(iv), the subdivision of real property includes the first sale of real property that results in the property being taxable as class four property under 15-6-134 or as nonqualified agricultural land as described in 15-6-133(1)(c).

(5) Subject to subsection (8), subsection (1)(a) does not apply to:

(a) school district levies established in Title 20; or

(b) a mill levy imposed for a newly created regional resource authority.

(6) For purposes of subsection (1)(a), taxes imposed do not

include net or gross proceeds taxes received under 15-6-131 and 15-6-132.

(7) In determining the maximum number of mills in subsection (1)(a), the governmental entity:

(a) may increase the number of mills to account for a decrease in reimbursements; and

(b) may not increase the number of mills to account for a loss of tax base because of legislative action that is reimbursed under the provisions of 15-1-121(7).

(8) The department shall calculate, on a statewide basis, the number of mills to be imposed for purposes of 15-10-108, 20-9-331, 20-9-333, 20-9-360, and 20-25-439. However, the number of mills calculated by the department may not exceed the mill levy limits established in those sections. The mill calculation must be established in tenths of mills. If the mill levy calculation does not result in an even tenth of a mill, then the calculation must be rounded up to the nearest tenth of a mill.

(9) (a) The provisions of subsection (1) do not prevent or restrict:

(i) a judgment levy under 2-9-316, 7-6-4015, or 7-7-2202;

(ii) a levy to repay taxes paid under protest as provided in 15-1-402;

(iii) an emergency levy authorized under 10-3-405, 20-9-168, or 20-15-326;

(iv) a levy for the support of a study commission under 7-3-184;

(v) a levy for the support of a newly established regional resource authority; or

(vi) the portion that is the amount in excess of the base contribution of a governmental entity's property tax levy for contributions for group benefits excluded under 2-9-212 or 2-18-703.

(b) A levy authorized under subsection (9)(a) may not be included in the amount of property taxes actually assessed in a subsequent year.

(10) A governmental entity may levy mills for the support of airports as authorized in 67-10-402, 67-11-301, or 67-11-302 even though the governmental entity has not imposed a levy for the airport or the airport authority in either of the previous 2 years and the airport or airport authority has not been appropriated operating funds by a county or municipality during that time.

(11) The department may adopt rules to implement this section. The rules may include a method for calculating the percentage of change in valuation for purposes of determining the elimination of property, new improvements, or newly taxable property in a governmental unit."

{ Internal References to 15-10-420: x to all

2-9-212	2-9-212	2-9-212	2-9-212
2-9-212	2-9-212	2-9-212	2-18-703
7-1-112	7-1-114	7-1-2103	7-1-4123

7-2-2730	7-2-2730	7-2-2746	7-2-4111
7-2-4918	7-2-4918	7-3-1104	7-3-1310
7-3-1310	7-3-1311	7-3-1311	7-3-1313
7-3-1313	7-3-4312	7-6-502	7-6-2501
7-6-2511	7-6-2512	7-6-2513	7-6-2522
7-6-4035	7-6-4036	7-6-4401	7-6-4406
7-6-4421	7-6-4431	7-6-4431	7-6-4438
7-6-4438	7-6-4453	7-10-115	7-11-1112
7-11-1112	7-13-144	7-13-3027	7-14-111
7-14-232	7-14-1111	7-14-1131	7-14-2101
7-14-2101	7-14-2101	7-14-2501	7-14-2502
7-14-2503	7-14-2801	7-14-2801	7-14-2807
7-14-4404	7-14-4644	7-14-4703	7-14-4713
7-14-4734	7-15-4281	7-16-101	7-16-2102
7-16-2108	7-16-2109	7-16-4105	7-16-4113
7-16-4114	7-21-3203	7-22-2142	7-22-2306
7-22-2512	7-32-235	7-32-4117	7-33-2109
7-33-2209	7-33-4111	7-33-4130	7-34-102
7-34-2122	7-34-2133	7-34-2417	7-35-2205
13-13-230	15-7-403	15-10-202	15-10-401
15-10-402	15-10-425	15-10-425	15-16-203
15-23-214	15-24-1402	15-24-1402	15-24-1501
15-24-1603	15-24-2102	19-7-404	19-9-209
19-13-214	19-18-504	19-19-301	20-7-714
20-9-331	20-9-333	20-9-360	20-9-404
20-9-533	20-15-305	20-15-311	20-15-311
20-15-313	20-15-314	20-15-314	20-25-439
22-1-304	22-1-316	22-1-702	22-1-707
22-1-708	22-1-711	22-1-711	23-4-303
39-71-403	41-5-1804	50-2-111	50-2-111
53-20-208	53-21-1010	67-10-402	67-11-201
67-11-301	67-11-301	67-11-302	67-11-303
67-11-303	75-10-112	76-1-111	76-1-403
76-1-404	76-1-406	76-2-102	76-5-1116
76-5-1116	76-6-109	76-15-501	76-15-505
76-15-515	76-15-516	76-15-516	76-15-516
76-15-518	76-15-623	81-8-504	85-3-412
85-3-422	85-7-307	85-8-601	85-8-615
85-8-618	85-20-1001	85-20-1001	90-5-112
90-6-403	90-6-403	90-6-403 }	"

Renumber: subsequent sections

25. Page 7.

Following: line 15

Insert: "Section 7. Section 17-7-502, MCA, is amended to read:

"17-7-502. Statutory appropriations -- definition -- requisites for validity. (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120; 5-11-407; 5-13-403; 7-4-2502; 10-1-108; 10-1-1202; 10-1-1303; 10-2-603; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-4-301; 15-1-121; [section 3]; 15-1-218; 15-31-906; 15-35-108; 15-36-332; 15-37-117; 15-39-110; 15-65-121; 15-70-101; 15-70-369; 15-70-601; 16-11-509; 17-3-106; 17-3-112; 17-3-212; 17-3-222; 17-3-241; 17-6-101; 18-11-112; 19-3-319; 19-6-404; 19-6-410; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 19-20-607; 19-21-203; 20-8-107; 20-9-534; 20-9-622; 20-26-1503; 22-3-1004; 23-4-105; 23-5-306; 23-5-409; 23-5-612; 23-7-301; 23-7-402; 37-43-204; 37-51-501; 39-71-503; 41-5-2011; 42-2-105; 44-4-1101; 44-12-206; 44-13-102; 50-4-623; 53-1-109; 53-9-113; 53-24-108; 53-24-206; 60-11-115; 61-3-415; 69-3-870; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 77-1-108; 77-2-362; 80-2-222; 80-4-416; 80-11-518; 81-10-103; 82-11-161; 87-1-230; 87-1-603; 87-1-621; 90-1-115; 90-1-205; 90-1-504; 90-3-1003; 90-6-331; and 90-9-306.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to sec. 10, Ch. 360, L. 1999, the inclusion of 19-20-604 terminates when the amortization period for the teachers' retirement system's unfunded liability is 10 years or less; pursuant to sec. 10, Ch. 10, Sp. L. May 2000, secs. 3 and 6, Ch. 481, L. 2003, and sec. 2, Ch. 459, L. 2009, the inclusion of 15-35-108 terminates June 30, 2019; pursuant to sec. 17, Ch. 593, L. 2005, and sec. 1, Ch. 186, L. 2009, the inclusion of 15-31-906 terminates January 1, 2015; pursuant to sec. 73, Ch. 44, L. 2007, the inclusion of 19-6-410 terminates upon the death of the last recipient eligible under 19-6-709(2) for the supplemental benefit provided by 19-6-709; pursuant to sec. 14, Ch. 374, L. 2009, the inclusion of 53-9-113 terminates June 30, 2015; pursuant to sec. 8, Ch. 427, L. 2009, the inclusion of 87-1-230 terminates June 30, 2013; and pursuant to sec. 5, Ch. 442, L. 2009, the inclusion of 90-6-331 terminates June 30, 2019.)"

{Internal References to 17-7-502: x to all

2-17-105	5-11-120	5-11-407	5-13-403
7-4-2502	10-1-108	10-1-1202	10-1-1303
10-2-603	10-3-203	10-3-310	10-3-312
10-3-312	10-3-314	10-4-301	15-1-121
15-1-218	15-31-906	15-35-108	15-35-108
15-36-332	15-37-117	15-39-110	15-65-121
15-70-101	15-70-369	15-70-601	16-11-509
17-1-508	17-3-106	17-3-112	17-3-212
17-3-222	17-3-241	17-6-101	17-7-501

18-11-112	19-3-319	19-6-404	19-6-410
19-9-702	19-13-604	19-17-301	19-18-512
19-19-305	19-19-506	19-20-604	19-20-607
19-21-203	20-8-107	20-9-534	20-9-622
20-26-1503	22-3-1004	23-4-105	23-5-306
23-5-409	23-5-612	23-7-301	23-7-402
37-43-204	37-51-501	39-71-503	41-5-2011
42-2-105	44-4-1101	44-12-206	44-13-102
50-4-623	53-1-109	53-9-113	53-24-108
53-24-108	53-24-206	60-11-115	61-3-415
69-3-870	75-1-1101	75-5-1108	75-6-214
75-11-313	77-1-108	77-2-362	80-2-222
80-4-416	80-11-518	81-10-103	82-11-161
82-11-161	87-1-230	87-1-603	87-1-621
90-1-115	90-1-115	90-1-205	90-1-504
90-3-1003	90-6-331	90-9-306 }	"

Insert: "Section 8. Section 20-9-630, MCA, is amended to read:

"20-9-630. School district block grants. (1) (a) The office of public instruction shall provide a block grant to each school district based on:

(i) the revenue received by each district in fiscal year 2001 from vehicle taxes and fees, corporate license taxes paid by financial institutions, aeronautics fees, state land payments in lieu of taxes, and property tax reimbursements pursuant to sections 167(1) through (5) and 169(6), Chapter 584, Laws of 1999; and

(ii) any reimbursement to be made to a school district pursuant to subsection (2).

(b) Block grants must be calculated using the electronic reporting system that is used by the office of public instruction and school districts. The electronic reporting system must be used to allocate the block grant amount into each district's budget as an anticipated revenue source by fund.

~~(c) With the exception of vehicle taxes and fees, the office of public instruction shall use the amount actually received from the sources listed in subsection (1)(a) in fiscal year 2001 in its calculation of the block grant for fiscal year 2002 budgeting purposes. For vehicle taxes and fees, the office of public instruction shall use 93.4% of the amount actually received in fiscal year 2001 in calculating the block grant for fiscal year 2002.~~

~~(2) If the fiscal year 2003 appropriation provided in section 248(1), Chapter 574, Laws of 2001, is insufficient to fund the school district block grants in fiscal year 2003 at the fiscal year 2002 level, the office of public instruction shall prorate the block grants to meet the remaining appropriation. School districts shall anticipate the prorated block grant amounts provided by the office of public instruction in their budgets for fiscal year 2003.~~

(2) If the legislature enacts a reimbursement provision that is to be distributed pursuant to this section, the office of public instruction shall determine the reimbursement amount as provided in the enactment and add the appropriate amount to block

grant distributions under this section. The total of reimbursement distributions made pursuant to this subsection in a fiscal year must be added to all other distributions to the school district in the fiscal year to determine the distribution for the subsequent fiscal year. The block grant percentage increases in subsections (4)(a) through (4)(c) do not apply to reimbursements made under this subsection for the fiscal year of the first reimbursement but do apply to the block grant amounts in subsequent fiscal years that incorporate reimbursements added in previous fiscal years. For the purpose of this subsection, the fiscal year of the first reimbursement does not include the fiscal year in which the reimbursement under [section 3(3)(b)] is made.

(3) Each year, 70% of each district's block grant must be distributed in November and 30% of each district's block grant must be distributed in May at the same time that guaranteed tax base aid is distributed.

(4) (a) The block grant for the district general fund is equal to the ~~average~~ amount received in ~~fiscal years 2002 and 2003~~ year 2012, except for the amount received under [section 3(3)(b)], by the district general fund from the block grants provided for in subsection subsections (1) and (2). ~~The Except as provided in subsection (2),~~ the block grant must be increased by 0.76% in fiscal year ~~2004~~ 2013 and in each succeeding fiscal year.

(b) The block grant for the district transportation fund is ~~equal to one-half of the average~~ amount received in ~~fiscal years 2002 and 2003~~ year 2012, except for the amount received under [section 3(3)(b)], by the district transportation fund from the block grants provided for in subsection subsections (1) and (2). ~~The Except as provided in subsection (2),~~ the block grant must be increased by 0.76% in fiscal year ~~2004~~ 2013 and in each succeeding fiscal year.

(c) (i) The combined fund block grant is equal to the ~~average~~ amount received in ~~fiscal years 2002 and 2003~~ year 2012, except for the amount received under [section 3(3)(b)], by the district tuition, bus depreciation reserve, building reserve, nonoperating, and adult education funds from the block grants provided for in subsection subsections (1) and (2). ~~The Except as provided in subsection (2),~~ the block grant must be increased by 0.76% in fiscal year ~~2004~~ 2013 and in each succeeding fiscal year.

(ii) The school district may deposit the combined fund block grant into any budgeted fund of the district."

{ Internal References to 20-9-630:

20-9-141 x 20-10-144 x }"

Renumber: subsequent sections

Strike: "2"
Insert: "3"

27. Page 7, line 22.

Strike: "2"
Insert: "3"

28. Page 7, line 24 through line 25.

Strike: "If" on line 24 through "void." on line 25

Insert: "If House Bill No. 495 is passed and approved and if it includes a section that amends 15-1-121, then [section 1 of this act], amending 15-1-121, is void."

29. Page 7.

Following: line 25

Insert: "NEW SECTION. Section 12. {standard} Saving clause.

[This act] does not affect rights and duties that matured, penalties that were incurred, or proceedings that were begun before [the effective date of this act]."

Renumber: subsequent sections

30. Page 7, line 27.

Strike: "date"

Insert: "dates"

Following: "date."

Insert: "(1)"

Strike: "[This act]"

Insert: "Except as provided in subsection (2), [this act]"

Strike: "on passage and approval"

Insert: "July 1, 2011"

31. Page 7.

Following: line 27

Insert: "(2) [Sections 2 through 8] are effective October 1, 2011."

- END -